



State of Tennessee

Justin P. Wilson, State Comptroller

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State of Tennessee Bonds Sell at Historic Low Interest Rates

The State of Tennessee sold more than \$170 million worth of general obligation bonds this week at the lowest overall interest rates in more than 40 years. The debt offering was sold in two parts, consisting of \$140,000,000 in tax-exempt bonds and \$30,525,000 of federally taxable bonds. The combined true interest cost of the bonds was 2.05 percent.

The tax-exempt bond proceeds will be used to fund new capital projects while the proceeds from the taxable issue will be used to refinance currently outstanding bonds.

The refinanced bonds will result in present value savings to the state of \$2,607,000 over an eight-year period.

“We chose to refinance some of our bonds at this time because interest rates were so low,” said Comptroller Justin P. Wilson, who serves as secretary of the State Funding Board. “The low interest rates we were able to get demonstrate, once again, that the state is in excellent financial health.”

“Over the last 15 months, we have saved the state more than \$63.6 million through refinancing,” said State Treasurer David H. Lillard Jr., who is also a State Funding Board member. “We believe that’s part of our mission to be good stewards of public money.”

“Tennessee has continued to maintain strong credit ratings, which makes low interest rates possible,” said Secretary of State Tre Hargett. “We are able to maintain those credit ratings because of the excellent work done by the General Assembly, the governor and his administrative staff in managing our state’s finances.”

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